



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

**INTERNATIONAL
JOURNAL OF
AGRARIAN AFFAIRS**

Vol. I, No. 5, September 1953

**Land Settlement:
The Making of
New Farms**



Price 5s. 0d. net

OXFORD UNIVERSITY PRESS

LONDON: GEOFFREY CUMBERLEGE

LAND SETTLEMENT: THE MAKING OF NEW FARMS

INTRODUCTION

By ANDREW W. ASHBY

Institute of Agrarian Affairs, University of Oxford

IN many countries all the land most suitable for agriculture has long been occupied and only in a few is any still available for settlement. Other countries, long settled, have land still uncultivated which is potentially suitable for settlement if economic or other considerations justify the expense that would have to be incurred to bring it into cultivation. It is the occupation and development of this new land that is generally thought of when the term 'land settlement' is mentioned. In some countries, however, another connotation is frequently put upon this term when it is used to describe the reorganization of existing land either to absorb people who have not previously had land of their own or to remove some of the people already on the land when they are no longer able to obtain satisfactory incomes. Strictly speaking both these are processes of *re-settlement* rather than of *settlement* since they involve the reorganization of existing conditions rather than the creation of entirely new ones. But whichever of the two aspects may predominate in any particular country, both are included in the discussions which follow.

Objectives of settlement policy

Countries with policies of land settlement may be aiming at any of a number of objectives. In a relatively undeveloped country the object may simply be to open up the country, and have it populated and developed, as was the case, for example, in North America in the nineteenth century. Few countries today are in this position and it is doubtful whether this process is likely to be repeated except under conditions of relatively easy settlement.

A more important objective is the need of a country to find additional land for an increasing agricultural population, or to increase home-grown food supplies, which in many respects are different aspects of the same problem. In both the need may be of sufficient importance to justify expending large sums of money on adding to the

existing agricultural area as, for example, in Holland or Ceylon. Or, as in Western Germany, where the need is just as pressing, but where little land remains to be brought into cultivation, the problem has to be tackled by rearranging the existing distribution of land.

Another objective is the settling of people, who are either out of work or have insufficient incomes to maintain themselves in their present occupations, in the hope that they will do better after a fresh start. Much of the settlement work in the United States comes under this head, being concerned with resettling farm people who have failed, owing to the unsuitability of their farm organization to present-day economic conditions.

Finally, there are what may be described as political objectives, which play such a dominant part in settlement policy in Eastern Europe, the Middle East, and China. Here the aim may be to break an existing political power, such as that of the German Junkers, and create a new one in its place, though there have been other objects such as the desire to provide a strong peasantry as a bulwark against revolution and as a source of manpower. Frequently, though, the political motives are bound up with the economic, such as a need to provide work and food for an expanding population, which has been so pressing a problem in such countries as Italy, Egypt, the West Indies, and so on.

Some problems of land settlement

No matter what the object underlying a settlement policy, many questions arise in carrying it out. Among the more important may be included the following:

1. *How shall land be acquired?* In a country with an unused supply of suitable land the answer is relatively simple, especially if the land is already publicly owned. Thus, throughout the nineteenth century the United States possessed vast tracks available for settlement. On the other hand, in countries where no suitable land exists, but has to be created, as in Holland and Ceylon, the cost of reclamation is so great that the work can only be done by the state, which thus becomes the owner.

The problem becomes much more acute in a fully settled country where further settlement has to take place at the expense of the existing population. Several methods can be adopted in such a case. Of these, purchase at market prices, as has been done in Britain, is costly if the area to be settled is large. An alternative is

4 LAND SETTLEMENT: THE MAKING OF NEW FARMS

expropriation either without compensation or with compensation at a level below market price as has been done in Finland and Western Germany, the owners losing their entire acreage or such of it as exceeds certain limits.

2. *How are the capital requirements of settlement to be met?* These requirements are of two kinds—for the land and its fixed equipment on the one hand, and for working capital on the other. In nearly all cases capital is required for acquiring land and for building houses, and from the studies that follow it appears that nowadays it is usually the state that provides at least the bulk of this money. In the past it was nearly always private capital, of individuals or companies, that was at risk, and even now there are exceptions to the modern trend, as for example in Israel, where money collected by gift is administered by a semi-public organization, the Jewish National Fund.

To a considerable extent settlers provide their own working capital or obtain it from trade sources, but sometimes the state provides assistance. Thus, in Ceylon, the government has found it necessary to give financial support as some of the new holdings are larger than those the settlers came from and a higher level of farming is expected of them.

3. *Where land for settlement is not already under cultivation, who prepares it?* In general the state undertakes this work, as it has in Holland, Ceylon, and Finland. This is especially necessary when the cost of preparation is high and might not prove economic as an investment for private funds or when the settlers have insufficient resources at their command. If, however, the land to be settled abuts on existing farm land, its preparation for settlement may be carried out by established farmers as part of their normal work, especially if their labour force is not fully employed. The holding, consisting of old and new land, is then frequently split up amongst the heirs, as in Holland.

4. *Should the aim be communal or individual settlement and, if the latter, what form should it take?* Communal settlement has great advantages in certain circumstances—especially when the settlers are short of capital and have little agricultural experience. But it also has great disadvantages and does not always work smoothly even when the participants share many of the same beliefs and ideals, as has been found in Israel.

In most countries individual settlement is preferred, either in

nucleated villages or in scattered communities. In general the policy in this respect follows established custom in the country concerned. Thus, in the United States settlement tends to be scattered, each farmhouse adjacent to a road and surrounded by its land, while the nucleated village is more common in the Orient.

5. *What should the tenure policy be with regard to newly settled land?* Should the state retain the ownership or dispose of it to the occupiers? Sometimes there is a temporary compromise and tenancy is used as a stepping-stone to the settler's ownership, as in the American Zone of Germany, where he becomes a tenant for three years before the land is sold to him, while in Finland he does not have to start purchasing the land until five years after he has settled on it. But where the state incurs great expense in reclaiming land it usually retains the right of ownership so as to exercise more intimate control and prevent undesirable developments, such as sub-division and mortgaging. In Holland settlers rent farms from the government while in Ceylon they lease them in perpetuity.

6. *What size should holdings be?* This depends on many factors, of which one of the more important is the type of farming. Much of the settlement work in the United States would not have been necessary if the holdings from which settlers are being drawn had been better adapted to meet changing economic circumstances. The most important consideration is that a holding should be of sufficient size to provide a settler with a standard of living at least as high as that of existing farmers. And it should not be much higher or other problems arise, as has been found in Ceylon, where jealousies have sprung up between some of the original villagers and the more prosperous new settlers near by. But when the standard is nicely adjusted to the circumstances of the settlers and their families today, will it still be so when some of the families are grown up and assisting with the work of the holding, and demanding a share in its proceeds? One of the great points in favour of the community settlements in Israel is that some of them are developing light industries, thus providing opportunities of work off the land for those members who do not wish to spend their lives in agriculture.

7. *What type of person should be settled? Or, what qualifications should be looked for in the settler?* When a great many refugees have demanded to be settled on the land, as in Western Germany and Finland, an answer has been easily found. Many of them were already farmers, and the primary object was to find them homes and

work. Somewhat similarly, in the United States much of the settlement work has been designed to provide demobilized soldiers with a new start in life.

Some countries have taken great care over the type of people to be settled. In Israel few people were admitted to the community settlements until they had shown a vocation for both the work and the life. In Holland, selection was on the basis of personal and financial qualifications so as to maintain a high standard of farming in the reclaimed areas. In Ceylon one of the more important qualifications at one time seems to have been a sufficiently large family to work a holding.

The choice of people is most important, and a high degree of control needs to be exercised over the new settlements if there is to be no repetition of the problems which have arisen in the older-established part of so many countries' agriculture.

In conclusion it may be mentioned that for many countries—especially those suffering from surplus agricultural populations or shortages of food—land settlement is only a palliative and not a cure. Not many countries are so fortunate as Ceylon, where two-thirds of the country is unoccupied and available for settlement, although not without difficulties. For most countries the area of land remaining for settlement is strictly limited and once it has been brought into use the only way to further settlement is the division of existing holdings. This in itself raises problems. Reduction in the size of holdings brings the disadvantage that possibilities of mechanization are diminished, as has been found in Finland and other countries, and does little to relieve human labour. This not only handicaps efforts to raise material standards of living but also means that little can be done to make farm work easier and pleasanter. The mistakes to be most carefully avoided are those of settling too many people on the land and of forgetting that the long-term answer to many of these problems is the provision of attractive opportunities of work away from farms.